

Prestige Lifestyle Club

RULES & REGULATION

Effective 1/6/2006

1. The Company is **PRESTIGE LIFESTYLE NETWORK SDN. BHD.** (734369-U) - operating a business under the name of **PRESTIGE LIFESTYLE CLUB**. In the Pre-Launch period, the business is operated by parent company **HEALTH INNOVATIONS SDN. BHD** (490297-W)
2. This is a **Trading/Agency business, and NOT Direct-Selling**. Agents must conduct their businesses at the Company or at other business premises, and are not allowed to approach customers at their homes.
3. The company sells health products (supplements and equipments), and health & medical programs (Anti-Aging, Beauty, Slimming, Medical Insurance) on behalf of our affiliate clinics and Insurance companies.
4. **Agents are registered businesses/enterprises/companies**. Those without a registered business can become Agent under individual name first, and proceed to register a business which must be submitted to the Company within 3 months of becoming Agent.
5. **Agents automatically become Members of the Prestige Lifestyle Club**, which is a Club exclusively for our Agents only.
6. Any business entity can apply to become an Agent upon purchase of minimum RM1,000 worth of products or programs package. Acceptance is at the discretion of the Company.
7. Agents will be given overriding commissions on purchases by other Agents they introduce (please refer to Marketing Plan for details).
8. Agency is valid for 1 year from date of registration, and **must be renewed annually (during the anniversary month)** to continue getting the benefits and privileges. Failure to do so will mean termination of Agency, and forfeiture of all privileges and rights to participate in the Marketing Plan.
9. **Members must renew annually, with minimum top-up PV, during the anniversary month**, according to their Rank:

| | |
|----------------------------|--------------------|
| Ordinary | RM1,000 (500 PV) |
| Silver | RM2,000 (1,000 PV) |
| Gold | RM3,000 (1,500 PV) |
| Platinum | RM4,000 (2,000 PV) |
| Founder's/President's Club | RM5,000 (2,500 PV) |

Note : Those in higher ranks can opt to renew at the rate for a lower Rank, and be demoted to the lower Rank, with lower commissions from the Marketing Plan, starting in the following month. Renewing at higher PV is subject to normal promotion criteria.

10. The Company reserves the right to refuse renewal of any Agency if deemed to have gone against the policies, terms and interests of the Company and its business partners, associates and affiliates.
11. All purchases by Members can be utilized by **non-Members**.
12. Members can upgrade to a higher category by top-up purchase and/or building an agency network. However, the upgrading will be based on Personal Group PV only (total personal PV + PV of direct introductions only).
13. Top-up purchases must be in multiples of 500 PV (RM1,000).
10. All initial purchases and top-ups are valid for 1 year from date of purchase. All newly transferred PV/ purchases for new registration will be re-validated for 1 year under the new member. Founder's/ President's Club and Platinum Members' initial purchase are valid for 5 years, but any PV transferred out will be re-validated for 1year .
11. Membership starter kit (RM50) and training vouchers (RM200 for 2 sessions) are compulsory for all agents/members (Non-PV items). There will be 2 training sessions that will be conducted in English, BM and Chinese. Additional training sessions will be optional, and chargeable at RM100 per session. The fees may be revised in the future.
12. Company reserves the right to improve/alter the above terms if found to be unsatisfactory to the successful conduct of the business, or to comply with government regulations.
13. This Rules & Regulations supersedes any previous circulars from the company.

MARKETING PLAN

Effective 1/6/2006

PV = Prestige Value – determines Rank and % of commissions payable (and MGM commission during Pre-Launch period).

PV is cumulative with no time limit, **but the Rank qualification PV will be revised from time to time.**

When there is change of Rank qualification PV, there will be no demotion of existing ranks.

Any promotion and change of commission will be applicable only **AFTER** the qualifying month, and becomes effective in the following month, and not during the qualifying month itself.

An Agent will be demoted or terminated if renewal conditions are not met or there is serious breach of the Companies policies, Rules & Regulations, or threatens / causes harm to the Company's operations or reputation.

At present, PV = 50% of RM purchase.

Rank is determined by PGPV. To improve Rank, purchase more and/or recruit more direct agents.

PPV = Personal PV

DGPV = Direct Group PV = PV of 1st level (agents directly introduced by you)

PGPV = Personal Group PV = PPV + DGPV

| RANK | PV | |
|----------------|------------------|--------------------------|
| | Before 31/8/2006 | From 1/9/2006 |
| Ordinary | 500 | 500 |
| Silver | 2,500 | 5,000 |
| Gold | 5,000 | 10,000 |
| Platinum | 25,000 | 50,000 |
| Founder's Club | 50,000 | President's Club 100,000 |

BV = Business Value – basis for calculating commission payable for the month, and incentives.

At present, BV = 30 – 50% of RM purchase, depending on type of products and services.

PBV = Personal BV

DGBV = Direct Group BV = BV of 1st level

PGBV = Personal Group BV = PBV + DGBV

IGBV = Indirect Group BV = BV of all agents in 2nd – 5th levels

TGBV = Total Group BV = PBV + BV of all agents under you, up to 5th level.

Levels = Since this is NOT an MLM plan, **payment is limited up to 5 levels only (below you)**

COMMISSION

Effective 1/6/2006

1) Retail profit on products = 20 % (+ 100 % for Free Bonus products) .

2) Free Bonus on products = 0 – 16 % (Buy 5+ 0 = 0% ; 10+ 1 = 10% ; 15+ 2 = 12.5% ; 20+ 3 = 15% ; 25+ 4 = 16%)

| 3) Monthly PBV | Ord | Silver | Gold | Platinum | Founder's / President's Club |
|-------------------|-----|--------|------|----------|---------------------------------|
| 1 – infinity | 10% | 10 | 10 | 10 | 10 |
| 4) Monthly DGBV | Ord | Silver | Gold | Platinum | Founder's / President's Club |
| 1 – infinity | 10% | 15 | 20 | 25 | 30 |
| 5) Monthly IGBV | Ord | Silver | Gold | Platinum | Founder's / President's Club |
| 1 – infinity | 6% | 7 | 8 | 9 | 10 |
| 6) Monthly TGBV | | | | Platinum | Founder's / President's Club |
| 50,001 – infinity | | | | 1 | 2 |

7) Promotional incentives like MGM, leadership awards, highest purchaser awards, etc. at the Company's discretion.

Note that those in lower ranks may have high PBV, DGBV, IGBV and TGBV in **qualifying month**, before being promoted.

TOTAL MONTHLY PAYOUTS

Minimum payout = 20%

Maximum payout = 92% + +

NOTE: Company reserves the right to improve / alter the above Marketing Plan & terms if found to be unsatisfactory to the successful conduct of the business, or to comply with government regulations.

EXAMPLES

1) Minimally active Ordinary Member, recruits 2 Ordinary Agents, and so on = 2 x 2 matrix to 5 levels = 64 pax ; income = RM100 + RM1860 = RM1960. [At 10% success, income = RM200; 25% = RM500; 50% = RM1,000]. Timeframe to achieve this depends on activity level.

2) Moderately active Silver Member, recruits 3 Ordinary Agents, and so on = 3 x 3 matrix to 5 levels = 486 pax; income = RM225+ RM16,800 = RM21,550.[At 10% success, income = RM2,000; 25% = RM5,000; 50% = RM10,000].

3) Very active Gold Member, recruits 4 Ordinary Agents, and so on = 4 x 4 matrix to 5 levels = 2048 pax; income = RM400 + RM81,760 = RM82,160. [At 10% success, income = RM8,000; 25% = RM20,000; 50% = RM40,000].

NOTES

Actual figures will vary according to your Rank; how many Direct Agents and at what Rank they join; and how many other Agents and what Rank they join in. Most Agents who try to be active will fall between the above 3 examples.

There are no limits to number of Direct Agents, and therefore to the size of your Agency network (although limited to 5 levels below you).

Figures will be higher if you are at higher Rank; if Agents you recruit join at higher Ranks; and if there are top-ups by Agents after joining. Active and successful top-rank Agents who also recruit high-rank Agents can easily earn RM10,000 a month, and the most active can earn over RM50,000 a month. For the top earners, the sky is the limit.

All Agents who are active are expected to renew annually, otherwise they will lose all commissions. This means guaranteed repetition of income. Renewal purchase is same (Ord Member), or less (other Ranks) compared to the initial joining purchase.